

**PROMISSORY NOTE
ARKANSAS DEVELOPMENT FINANCE AUTHORITY
TCAP PROGRAM**

\$ _____

DATE: _____ 2009

PRINCIPAL \$ _____

INTEREST RATE: ZERO PERCENT (0%)

REPAYMENT INSTALLMENT AMOUNT: Equal to one half of surplus cash flow as defined in the TCAP Agreement after payment of the HOME Loan amount due, if any

NUMBER OF REPAYMENT INSTALLMENTS: 420

FIRST PAYMENT DUE DATE: Three years from Place in service date but in any event no later than December 31, 20__.

MAKER: _____

COUNTY IN WHICH PROPERTY IS LOCATED:

ADDRESS: _____

LEGAL DESCRIPTION:

SEE EXHIBIT "A" (hereafter the "Property")

1. **Terms and Payment.** This Promissory Note (the "Note") is payable as follows:

In **monthly payments** equal to one half of surplus cash flow as defined in the TCAP Written Agreement, after payment of the HOME loan amount due, if any. This loan shall be payable at ZERO PERCENT (0%) interest rate over a term of thirty-five (35) years with the final payment due no later than December 31, 2049 (the "Maturity Date"). This loan shall be amortized over a thirty-five (35) year period, with the first payment beginning three years from placed in service date but no later than December 31, 20__. All unpaid principal shall be due in full on the Maturity Date.

The installments under this Note shall be payable at the Arkansas Development Finance Authority, P.O. Box 8023, Little Rock, AR 72203, or such other place as the holder may designate in writing.

2. **Right of Prepayment.** Maker shall have the right of prepayment at any time, without penalty.

3. **Late Fees.** Maker shall pay to ADFA a late charge of five percent (5%) of any monthly installment not received by ADFA within fifteen (15) calendar days after the installment is due.

4. **Default.** If at any time, there shall be a default in the payment of any installment aforesaid, or any part thereof, when due, or upon the failure to perform or comply with any of the covenants or agreements contained in the mortgage given to secure the payment of this Note, or upon the failure to perform or comply with any of the covenants or agreements contained in the Written Agreement between Maker and ADFA, or upon the failure to perform or comply with any of the covenants or agreements contained in the Land Use Restriction Agreement, the entire principal balance shall, at the option of ADFA, without notice to the Maker, accrue interest at the maximum legal rate until the default is cured. ADFA's exercise of this option shall not constitute a waiver of any kind of ADFA's right to accelerate this Note as set forth below, nor a waiver of any kind of any and all other legal and equitable remedies to which ADFA may be entitled.

Upon the failure of the Maker hereof to pay any installment of principal or interest when due, or any part thereof, or upon the failure to perform or comply with any of the covenants or agreements contained in the mortgage given to secure the payment of this Note, or upon the failure to perform or comply with any of the covenants or agreements contained in the Written Agreement between Maker and ADFA, or upon the failure to perform or comply with any of the covenants or agreements contained in the Land Use Restriction Agreement, ADFA may accelerate this Note and declare the total hereof due and payable, without demand or notice to the Maker.

5. **Waiver of Notice and Presentment; Attorney's Fees.** The guarantor(s) and maker(s) of this Note (collectively, the "Obligated Parties"), agree to and do hereby waive demand or presentation of the Note for payment to the Maker hereof and waive protest and notice of non-payment and do hereby ratify such extension and remain bound by the Note. Further, the Obligated Parties agree to pay all costs and reasonable attorneys' fees should it become necessary to retain legal counsel to take action for collection of this Note.

6. **Limitation of Recourse.** It is expressly understood by the parties hereto that the Maker shall have personal liability on this Note and the related Mortgage in the full amount of this Note, stated herein. It is further expressly understood by the parties hereto that a Guaranty is a condition precedent to the execution of this Note and that such Guaranty is attached hereto as Exhibit B and incorporated herein as if set forth word for word.

7. **Security of Note.** This Note is secured by that certain Mortgage dated _____, 200__, executed by the Maker, encumbering the real property described in Exhibit A attached hereto. This Note is further secured by the Guaranty attached as Exhibit B.

Executed on this _____ day of _____, 2009.

MAKER:

By: _____

Its: General Partner

By: _____

[Name]

Its: Member

Date: _____

Federal I.D Number: _____

ACKNOWLEDGEMENT

STATE OF ARKANSAS)

)

COUNTY OF _____)

BEFORE ME, the undersigned Notary Public, on this day personally appeared _____, Member of _____, LLC, General Partner of _____, Limited Partnership, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same of the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this _____ day of _____, 2009.

Notary Public

My Commission Expires:

THIS INSTRUMENT PREPARED BY:
Arkansas Development Finance Authority
P. O. Box 8023
Little Rock, AR 72203-8023

EXHIBIT A

Legal Description of the Property

EXHIBIT B

Attach a copy of the executed Personal Guaranty